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August 16, 2001

CERTIFIED RETURN RECEIPT 7000 0520 0021 7582 9385

Mr. Bryce Haas B & H Stone Supply 331 East 200 South Lindon, Utah 84042

Re: Notice of Non-Compliance, B & H Stone Supply, B & C Limestone Quarry, M/039/013
Sanpete County, Utah

Dear Mr. Haas:

This letter provides formal notice to you that mining operations at the B & C Limestone Quarry (M/039/013) are being conducted in violation of the Utah Mined Land Reclamation Act, 40-8-1 et. seq. (Act) and the Minerals Reclamation Program Rules, sections R647-1 through R647-5.

Recent inspections performed by the Division suggest that large mining operations have been conducted outside the area for which a Notice of Intent to Commence Large Mining Operations has been tentatively approved. Large mining operations were tentatively approved to allow 9.7 acres of surface disturbance. Recent GPS survey measurements by the Division outline 23.25 acres of surface disturbance at the quarry. The required reclamation bond has not been filed with the Division for this large mine site. These actions are in violation of the Act and Minerals Rules. *See* Utah Annotated Code 40-8-13 and Minerals Rule R647-4-118.

Mitigation:

The mine operator is hereby directed to:

1. Post a transitional reclamation surety in the amount of \$36,000.00 (\$1,500 per acre) and a transitional Reclamation Contract. The Division will allow an incremental posting of this surety according to the following schedule: The transitional Reclamation Contract and one half of the transitional surety amount (\$18,000) must

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be posted by August 31, 2001. An additional \$6,000 of reclamation surety must be posted on September 30, October 31, and November 30, 2001, until the full \$36,000 transitional surety amount is posted. This surety amount will be appropriately adjusted (up or down) once final approval of the large mine project is issued (consideration will be given at that time for any concurrent reclamation that may have been performed).

- 2. Submit a permit modification (revision or amendment, as appropriate) to include the increased acreage that has been (or will be) affected. All facilities (i.e., shop building, water well, water tank, etc.) that were not included in the original large mine permit application, as well as any additional facilities and acreage that will likely be affected by mining operations over the next 5-year period must be included. This permit modification must be submitted to the Division by September 10, 2001.
- 3. <u>NO</u> further expansion of the disturbed area is allowed until you receive final permit approval from the Division for this large mining operation.

Finding of Non-Compliance

- 1. The B & C Limestone Quarry has exceeded the permitted acreage for this site. Section 40-8-13 of the Act and section R647-4-118 of the Minerals Rules requires the filing of a permit revision for a large mining notice of intention and Division approval *before* expanding beyond the approved surface disturbance.
- 2. The operator has not posted a form and amount of reclamation surety acceptable to the Division as required by section 40-8-14 of the Act and section R647-4-113 of the Minerals Rules for a large mine operation.
- 3. The operator may have intentionally and knowingly evaded the Act and Minerals Rules. Consequently, the operator's actions may be subject to the penalties of section 40-8-9 of the Act (a willful and knowing violation).

Consequences of Continued Non-Compliance

1. The operator's failure to resolve this Notice of Non-compliance within the timeframes set forth in this letter (unless otherwise extended) will result in the filing of a formal Notice of Agency Action before the Board of Oil, Gas and Mining. Following public notice and formal hearing, the Board may issue an abatement or compliance Order which may require: suspension or termination of all mining operations, immediate reclamation of all mining-related disturbances, and/or other lawful requirements as authorized under the Act.

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2. The Board may also ask the county prosecutor or attorney general to bring suit against the operator to enforce its Orders and to seek assessment of appropriate penalties, not to exceed \$10,000 per violation for each willful and knowing violation of the Act.

If you have any questions regarding this Notice please contact me at (801) 538-5286, or Lynn Kunzler (801) 538-5310. Thank you for your immediate attention to this matter.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

jb

cc: John Blake, SITLA
Mary Ann Wright, DOGM
Lynn Kunzler, DOGM
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Notice of Non-Compliance Supplemental Information

Location of Mining Operation

The B & C Limestone Quarry is located in the SE corner of Section 31, the SW corner of Section 32, T 18 S, R 1 E, and the NW corner of Section 5, T 19 S, R 1 E, SLBM, Sanpete County, Utah. This operation is also permitted with the School and Institutional Trust Lands Administration

Background Information and Chronology

•	7/14/1999	DOGM receives SMO
•	7/16/1999	SMO accepted by DOGM
•	4/12/2000	Site inspection by DOGM found 7.47 acres of disturbance
•	4/19/2000	DOGM notifies operator of potential non-compliance and requests
		operator to either reclaim down to 5 acres or less, or submit LMO
•	5/4/2000	Operator indicates in writing his intent to file a LMO
•	6/30/2000	DOGM receives LMO for the B & C Limestone Quarry
•	9/20/2000	DOGM issues tentative approval of LMO with two conditions.
•	11/18/2000	Operator responds to conditions of tentative approval.
•	11/22/2000	Received draft Reclamation Contract from operator.
•	2/7/2001	DOGM publishes Notice of Tentative Approval in newspapers. Operator requested to post \$12,700.00 surety by end of 30-day public comment period.
•	5/8/2001	Received call from operator that they are going to post a CD for this project. Sent blank Reclamation Contract and copy of marked up 11/22/00 draft Reclamation Contract showing corrections that need to be made. Also sent draft CD cover letter.
•	8/2/2000	Site inspection by DOGM found 23.25 acres of disturbance, as well as shop building and well that were not described in the NOI.
•	8/13/2001	Operator met with DOGM and SITLA to discuss potential Non-compliance.